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ABSTRACT

On April 5, 1989, the Bush Administration submitted to the Congress a legislative proposal entitled the "Educational Excellence Act of 1989." This report provides a description of the President's proposed education legislation and modifications to the proposal by the Congress, plus a brief analysis of each of the provisions. The seven program areas addressed in the Administration proposal are: (1) Presidential Merit Schools; (2) Magnet Schools of Excellence; (3) Alternative Certification for Teachers and Principals; (4) Presidential Awards for Excellence in Education; (5) National Science Scholars; (6) Drug Free Schools Emergency Grants; (7) Historically Black Colleges and Universities. Each program discussion is subdivided into the description of the proposal as introduced, the rationale of the proposal, congressional action, and similar programs operating at the federal and state levels. (SI)

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CRS Report for Congress

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The "Educational Excellence Act of 1989": The Administration's Education Proposal

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THE "EDUCATIONAL EXCELLENCE ACT OF 1989": THE ADMINISTRATION'S EDUCATION PROPOSAL

SUMMARY

The Congress has recently taken action on President Bush's package of proposed educational reform initiatives, the "Educational Excellence Act of 1989." On July 20, 1989, the Senate Committee on Labor and Human Resources ordered to be reported to the full Senate S. 695, which contains modified versions of most of the Administration's proposals.

The President proposed financial awards to effective schools and teachers, expanded Federal aid to magnet schools enrolling pupils from throughout a school district, support for hiring teachers and principals without regard to standard certification procedures, college scholarships in mathematics and science, endowment grants for historically black colleges and universities, and expanded drug abuse education programs. S. 695 modifies the proposals in relatively few, but significant, ways--changing eligible grant recipients or authorized uses of funds, requiring that similar current programs first be funded at specified levels, and modifying authorization periods and amounts.

Among the justifications offered for the various proposals are the following: Financial assistance for meritorious schools and teachers increases the likelihood of continued and enhanced excellence. Expansion of parental choice by aiding magnet schools introduces competition to public school systems and secures parental involvement in their children's education. Alternative certification addresses concern that current requirements, including completion of teacher education courses, pose unnecessary hurdles to persons with substantial expertise in subjects with a shortage of teachers. Scholarships for talented students who study math and science in college responds to the growing national need for expertise in these fields.

The merit school, magnet school, and alternative certification proposals, in particular, have triggered debate over their potential effects. Concern has been expressed about the consequences for school desegregation of granting parents and students substantial freedom in choosing their schools. With regard to the merit school proposal, questions have been raised about its effectiveness as an incentive, lack of control over the use of funds, and potential for simply rewarding the advantaged. Alternative certification has generated controversy because of concern that individuals without sufficient teaching skills will be introduced too quickly to classrooms. Ultimately, there appears to be no consensus politically or in the research on the outcomes of these kinds of reform.

Nevertheless, several of the provisions of the "Education Excellence Act of 1989"--such as expansion of school choice, alternative certification, and grants to merit or high-performing schools--are based on programs adopted in one or more States as part of recent school reform strategies. Significantly, many of them also duplicate or overlap Federal programs already authorized.

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THE "EDUCATIONAL EXCELLENCE ACT OF 1989": THE ADMINISTRATION'S EDUCATION PROPOSAL

INTRODUCTION

On February 9, 1989, President Bush proposed a series of educational initiatives as part of his *Building a Better America* program. These included:

- the use of financial incentives for schools to improve their performance,
- aid for the expansion of opportunities for parents to choose schools in school districts other than those with formal desegregation plans,
- efforts to attract new school teachers and administrators who are not specifically trained for these careers,
- awards to excellent teachers,
- college scholarships for high school students with outstanding achievement in math and science,
- comprehensive assistance for combating drugs in schools in urban areas,
- additional awards to historically black college for endowment building,
- funding for the education of the homeless, and
- funding for innovative experiments and data collection.

The FY 1990 authorized funding level for these initiatives would be approximately $441 million.

Following this, on April 5, 1989, the Bush Administration submitted to the Congress a legislative proposal entitled the "Educational Excellence Act of 1989." The proposal included draft legislation for a number of the education initiatives that were earlier

S. 695, containing modified versions of most of the Administration's proposals, has been reported in the Senate.

outlined in *Building a Better America*.[1] Subsequently, the Bush Administration proposals were introduced as bills in the House and Senate (H.R. 1675, introduced by Representative Goodling, *et al*, and S. 695, introduced by Senator Kassebaum, *et al*). On July 20, 1989, the Senate Committee on Labor and Human Resources ordered to be reported to the full Senate a version of S. 695 that contained modifications to the Administration's proposals, as well as a number of programs and provisions not included in the Administration's draft bill. In addition, the House-passed version of H.R. 2990--providing fiscal year 1990 appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies--would provide up to $350 million for two of the Administration's proposed programs if authorizing legislation were enacted prior to March 1, 1990.[2]

This report provides a description of the President's proposed education legislation, modifications to the proposal by the Congress, plus a brief analysis of each of these provisions. The primary focus of this report is the Administration's proposal; it does not include programs amended by or established under the Senate Committee reported version of S. 695 that were not included in the Administration's proposal, although the report does consider the one legislative topic addressed by the Administration proposal but

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[1]The first seven initiatives listed above are part of this legislation package since they require the enactment of new authorizing language before they can be funded. Their combined FY 1990 authorization level is $422.6 million. The funding for educational experiments has been included in the President's FY 1990 budget request for the U.S. Department of Education ($13 million). The homeless education proposal consists of a request for funding of current authorities in the Stewart McKinney Homeless Assistance Act ($5.2 million).

[2]H.R. 2990, as passed by the House of Representatives on Aug. 2, 1989, authorizes up to $350 million--up to $250 million for Presidential Merit Schools and up to $100 million for Magnet Schools of Excellence--to be transferred from the appropriations account for Compensatory Education for the Disadvantaged (primarily title I, chapter 1, of the Elementary and Secondary Education Act) to these two proposed programs if legislation authorizing them is enacted before Mar. 1, 1990. According to the House Appropriations Committee report on H.R. 2990 (H. Rept. 101-172, p. 131), "[T]his action is not intended as a statement of support for these new programs. That decision should be made through the normal legislative process under the jurisdiction of the Committee on Education and Labor."

H.R. 2990 provides no funding, conditional or otherwise, for the other new programs proposed in the "Educational Excellence Act of 1989"; although the Bush Administration proposal (in *Building a Better America*) for $5.2 million in additional funds for the education of homeless children and youth was included in the House-passed version of the bill.

not included in S. 695.[3] The discussion of each program in this report is divided into the following sections:

- description of the proposal as introduced,
- presentation of the Administration's rationale for the program and a discussion of the most important issues,
- review of congressional action on the proposal, and
- brief discussion of similar programs, if any, being operated at the Federal and State levels.

Except where otherwise specified, the provisions of the Administration proposal and S. 695, as reported, are essentially the same. Differences in the Senate bill will be highlighted in the sections on congressional action.

In general, S. 695 modifies the Administration proposals in relatively few but significant ways. In some cases, certain current programs must be funded at specified threshold levels before the new programs in S. 695 can be funded. For other programs, eligible grant recipients, or authorized uses of funds, are different under S. 695 than the Administration proposal. The Senate bill also generally authorizes different--usually lower--appropriations levels, and over shorter time periods, compared to the Administration proposal.

The discussion and analysis below are organized on the basis of the program areas addressed in the Administration proposal and S. 695:

- Presidential Merit Schools,
- Magnet Schools of Excellence,

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[3]In addition to legislative topics addressed in the Administration's proposal, the version of S. 695 that was reported by the Senate Committee on Labor and Human Resources included amendments to the Stafford Student Loan program (title IV, part B, Higher Education Act), the School Dropout Demonstration program (title VI, Elementary and Secondary Education Act), the needs analysis provisions affecting all student assistance programs under title IV of the Higher Education Act (HEA), and other HEA programs; plus authorization for new programs of education regarding the U.S. Constitution and Bill of Rights, grants for research by the National Board for Professional Teaching Standards, and a middle school teacher training demonstration program. These provisions of S. 695, except the proposed grants to the National Board for Professional Teaching Standards, are not discussed in this report. Finally, one program in the Administration's proposal, but not addressed in S. 695--Presidential Awards (to teachers) for Excellence in Education--is discussed in this report.

- Alternative Certification for Teachers and Principals,
- Presidential Awards for Excellence in Education,
- National Science Scholars,
- Drug Free Schools Emergency Grants, and
- Historically Black Colleges and Universities.

PRESIDENTIAL MERIT SCHOOLS

The Proposal as Introduced

This proposed program authorizes grants to public and private elementary and secondary schools that have made "substantial progress" toward increasing academic achievement, reducing their pupil dropout rate, or establishing a "safe and drug-free" environment. Under a new part G of title IV, Elementary and Secondary Education Act, funds are allocated to the States by formula,[4] with one-half of the funds distributed on the basis of school-age (5-17 years) population and one-half in proportion to basic grants under title I, chapter 1, ESEA--education of the disadvantaged.[5] States may retain up to 5 percent of their grants to pay for administrative costs.

The States determine criteria for selecting "merit schools."

The States determine criteria for selecting "merit schools" and the amount of funds each selected school will receive. A State panel--consisting of representatives of educators, parents, State and local government, labor, business, and the general public--assists the State in establishing these criteria. In addition, the State criteria must incorporate minimum standards to be established by the U.S. Secretary of Education. The selection criteria

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[4]Up to one-forth of one percent of appropriations are first set aside for grants to the outlying areas. Unlike most other Federal elementary and secondary education assistance funds to these areas, grants for Presidential Merit Schools must be used for that specific purpose, and will not be subject to the territorial grant consolidation authority of P.L. 95-134, under which most Federal elementary and secondary education aid to several outlying areas is combined into a block grant.

[5]ESEA title I, chapter 1 basic grants are allocated primarily on the basis of the number of school-age children from poor families, according to the decennial Census, and the State average per pupil expenditure for public elementary and secondary education.

may take into account the composition of the school's student body, especially the proportion of pupils from low income families. Also, no Federal, State, or local educational agency may take a school's receipt of a Presidential Merit School award into account when allocating funds under any other program.[6]

Presidential Merit Schools grants can be used for any educational or related purpose by public schools. A number of specific activities are listed--e.g., development of special programs, acquisition of instructional equipment and materials, bonus payments for staff, parental involvement and community outreach activities, etc.,--but authorized uses of funds are not limited to these. Private schools could use the funds for any purpose except religious worship or instruction. Finally, for all schools, the specific proposed use of funds may not be considered in the selection of schools to receive the awards, although the actual use of funds by grantees would have to be described in annual reports by the States to U.S. Department of Education (ED). The authorized funding level is $250 million for FY 1990, rising to $500 million for FY 1993, under the Administration proposal.

Grants can be used for any educational or related purpose by public schools.

Rationale and Discussion

According to the Administration's February 1989 report, *Building a Better America*, the Presidential Merit Schools proposal is based on the following principles:

- Educating all students to their full potential should be a basic goal of all schools;
- Demonstrated school-wide progress in achieving excellence deserves public recognition and support; and
- Financial incentives can spur schools with especially difficult problems to significantly improve their educational achievement.[7]

This proposal is based implicitly on an assumption that school staff and pupils will respond positively and effectively to financial incentives for increased performance, however that performance is defined by the States.

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[6]Thus, grants under other education assistance programs may not be reduced to a school or its local educational agency because the school has received a Presidential Merit School grant.

[7]*Building a Better America*, p. 51.

The effectiveness of such financial incentives in elementary and secondary education is untested. Evidence to substantiate or refute the assumption that such incentives will have desirable effects is severely limited, at least partly because such incentives have rarely been used in elementary and secondary education (see following section). In particular, one might question whether the proposed program would provide an effective incentive to anyone other than a school's principal or other chief administrator(s), since only those individuals would be able to determine the use of a "merit" grant if one were received. No other individuals in a school would face a direct relationship between their efforts and the reward of increased control over financial resources, although administrators would presumably choose to use the grants to benefit the entire school community. Another key issue with respect to the "merit" school proposal is whether grants would typically reward advantaged schools and students, in spite of adjustments that States might make in consideration of schools' varying pupil characteristics.

The effectiveness of financial incentives in elementary and secondary education is untested.

Congressional Action

In reporting S. 695, the Senate made several modifications to the Administration's proposal for Presidential Merit Schools grants. S. 695 authorizes grants only for fiscal years 1991-1993, not 1990-1993. Further, S. 695 limits FY 1991 appropriations to a maximum of $200 million, and further limits authorized appropriations for each fiscal year to be no more than the lesser of:

- appropriations for title I, chapter 1, ESEA, other than for part C (Secondary School Programs for Basic Skills Improvement and Dropout Prevention and Reentry), in excess of $5,090 million, or
- appropriations for ESEA title I, chapter 1, part C (Secondary School Programs for Basic Skills Improvement and Dropout Prevention and Reentry) in excess of $200 million.

Since FY 1989 appropriations for chapter 1, other than part C, are $4,570.2 million--$519.8 million below the funding threshold in S. 695--and no funds have yet been provided for chapter 1, part C--which was first authorized for FY 1990 under P.L. 100-297[8]--these conditions based on funding for chapter 1 programs are likely to present significant obstacles to the provision of substantial funding for the new Presidential Merit Schools program.

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[8]The Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988.

S. 695 limits eligibility to schools participating in the ESEA title I, chapter 1, program for disadvantaged children.

While any public or private elementary and secondary school is eligible for a Presidential Merit Schools grant under the Administration proposal, S. 695 limits eligibility to schools participating in the ESEA title I, chapter 1, program of aid for the education of disadvantaged children. In general, chapter 1 schools are those serving attendance areas with relatively high numbers or percentages of pupils from low income families. In practice, a majority of public schools have chapter 1 programs; a recent study by ED estimated that 75 percent of all public elementary schools, and 36 percent of public middle and secondary schools, provide chapter 1 services.[9]

The Senate bill also requires that school selection criteria take into account the composition of the school's student body, especially the proportion of pupils from low income families. S. 695 further provides that an equal number of grants must be made to elementary and secondary schools in each State.

S. 695 authorizes private schools to use Presidential Merit Schools grants only for "capital expenses"[10] intended to facilitate participation of private

[9]U.S. Department of Education. Office of Educational Research and Improvement. *The Current Operation of the Chapter 1 Program*. 1987. p. 16. This survey did not include private schools, at least partly because private schools do not directly receive assistance under chapter 1. Private school pupils who reside in relatively low income areas selected for chapter 1 projects are eligible to be served, but services are provided via public agencies and program funds remain in control of those agencies. Therefore, there might be difficulty in interpreting S. 695's provision making "private schools. . .receiving services under chapter 1" eligible for Merit Schools grants.

[10]Under sec. 1017(d) of chapter 1, such "capital expenses" are defined as including noninstructional goods and services as "the purchase, lease and renovation of real and personal property (including but not limited to mobile educational units and leasing of neutral sites or space), insurance and maintenance costs, transportation, and other comparable goods and services."

school pupils in chapter 1 programs.[11] Although analysis of the issue is beyond the scope of this report, the constitutionality of either the Administration or the S. 695 provisions for Merit Schools grants to private schools may be questioned (see footnote 11).

The lists of highlighted, explicitly authorized activities are slightly different in the Administration proposal and S. 695. Only the Administration proposal lists college scholarships for secondary school students and helping other schools replicate the recipient's success, while only S. 695 mentions school based management and shared decision making.

In addition, the Administration proposal, but not S. 695, authorizes the Secretary of Education to reserve up to $500 thousand of appropriations to pay for award ceremonies and program evaluations. S. 695 does require the Secretary of Education to conduct evaluations of Presidential Merit School programs, but does not authorize the reservation of appropriations for this purpose. S. 695 authorizes the Secretary of Education to accept gifts to pay the costs of conducting award ceremonies.

Similar Federal and State Programs

Certain State programs make performance based awards to schools, with few restrictions on the use of funds.

No current Federal education program is similar to this proposal in the sense of providing performance based awards to institutions to be used for any educational purpose. A provision added to ESEA title I, chapter 1 by P.L. 100-297 does authorize local educational agencies (LEAs), with State approval, to use up to 5 percent of their basic grants for specified types of "innovation projects." Among the types of "innovation projects" for which these funds may used are "incentive payments to schools

[11]Under the ESEA title I, chapter 1 program for the education of disadvantaged children, services are provided to both public and private school pupils who meet the eligibility requirements (primarily that they be among the most educationally disadvantaged children who reside in their local educational agency's school attendance areas with the greatest number or percentage of children from low income families). However, under chapter 1, public agencies retain control of all funds, including those used to serve private school pupils. As a result of a 1985 Supreme Court decision (*Aguilar v. Felton*), public school staff are prohibited from providing chapter 1 services to pupils of religiously affiliated private schools at the facilities of those private schools. The chapter 1 "capital expenses" provision was developed as a means of paying for part of the costs of serving private school pupils at sites other than their schools--e.g., mobile vans or leased space at "neutral" (i.e., owned by neither the private school nor the public school district) facilities.

that have demonstrated significant progress and success in attaining the goals of" chapter 1 (section 1011(b)(3)). However, these incentive payments are subject to the same restrictions on their use that apply to other chapter 1 grants--e.g., they may be used only to provide supplementary educational and related services to meet the special needs of educationally disadvantaged children. Further, none of the chapter 1 incentive payments may be distributed to private schools, although they may go to the school attendance areas in which private school pupils are served.

There are certain relatively new State programs that authorize such performance based awards to schools, with few restrictions on the use of funds. Such programs may be found in the States of Florida, Indiana, and South Carolina. Unlike the Administration proposal, none of these State programs authorize grants to private schools.

The Florida District Quality Incentives Program provides financial awards to all of the teachers in a school determined to be "meritorious" on the basis of academic achievement above "expected" levels (based on characteristics of enrolled pupils and other factors). Ten million dollars were appropriated for this program for school year 1986-87.[12]

Indiana's program will be initially implemented in the 1989-90 school year.[13] Ten million dollars have been appropriated for that year and 1990-91 each for grants to schools where achievement test scores and attendance during the preceding year have increased over the second preceding year. Forty percent of the funds will be distributed to all qualifying schools in equal amounts per pupil enrolled, while 60 percent of the funds will be distributed in proportion to enrollment plus the degree of improvement in achievement and attendance. Funds can be used for educational purposes other than athletics, teacher compensation, or to supplant local tax revenues. Recipient schools will be encouraged to use these funds to establish their own incentive programs within the schools, such as awards to pupils and classes whose performance improves.

In South Carolina, the School Incentive Reward Program provides both recognition and financial grants to schools whose students exhibit "exceptional" gains in reading and mathematics achievement plus attendance. Pupil test scores are statistically adjusted for the characteristics of pupils enrolled at the school (e.g., the percentage of pupils from low income families). In the 1987-88 school year, $3.9 million were allocated to 274 public schools, 16 regional

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[12]*Public School Finance Programs of the United States and Canada, 1986-1987*. American Education Finance Association, 1988. p. 78.

[13]Source for information on the Indiana program: Mr. Vince Schrader, Indiana Department of Education.

vocational education centers, and 7 LEAs[14] under the South Carolina program.[15] South Carolina has also recently adopted a new program to reward "successful" schools by exempting them from certain State regulations.[16]

MAGNET SCHOOLS OF EXCELLENCE

The Proposal as Introduced

This proposal is intended to expand parental choice among public schools, through support of magnet schools, or "schools of choice", offering open enrollment to pupils throughout an LEA or a consortium of LEAs.[17] These schools offer a specialized academic or vocational curriculum, or a "unique and effective learning environment," that is intended to appeal to a wide range of pupils and their families. This program--a new title IV, part H, of the ESEA--would supplement, not replace, the current Magnet Schools Assistance Program (ESEA title III), that is limited to LEAs undergoing either voluntary or mandatory pupil desegregation. A second, thus far unfunded, program under ESEA section 4606 currently authorizes grants to magnet-like Alternative Curriculum Schools in LEAs with high proportions of minority enrollment.

Applicants must assure that the proposed magnet school programs will not increase segregation among the LEA's pupils on the basis of race, religion, color, national origin, sex, or handicap. However, unlike the current Magnet Schools Assistance Program, grants are not limited to LEAs undergoing formal processes of desegregation, or LEAs with high levels of minority enrollment as required for the ESEA section 4606 program. Under the proposal, magnet schools cannot receive grants for more than 2-years, and receipt of second year grants is contingent upon satisfactory progress toward meeting the objectives stated in the LEA's grant application. No Federal, State, or local educational

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[14]LEAs receive grants if awards are made to two-thirds or more of the schools in the LEA.

[15]*Rewarding Good Teachers and Schools.* The Council of State Governments (newsletter), Aug. 1988. p. 27.

[16]*South Carolina to Free Good Schools from Burdensome State Mandates.* Education Daily, June 30, 1989. p. 1.

[17]Both the Administration proposal and S. 695 authorize grants to individual LEAs, consortia of LEAs, and intermediate educational agencies (regional bodies established in some States to provide specified services, such as vocational education or education for the handicapped, to two or more LEAs). Neither version of this proposal explicitly authorizes grants to statewide open enrollment programs, such as that being implemented in Minnesota.

agency may take a school's receipt of a magnet school award into account when allocating funds under any other program.[18] In administering this program, the Secretary of Education is to "encourage" applications from LEAs that emphasize services to pupils from low income families, or that focus on a particular instructional approach or subject area; however, it is not required that applicants evidence either of these characteristics. The authorized funding level for this program under the Administration's proposal is $100 million for each of FY 1990-1993.

Unlike the current programs, grants are not limited to LEAs undergoing formal processes of desegregation, or LEAs with high levels of minority enrollment.

Rationale and Discussion

In *Building a Better America*, it is stated that

- Magnet schools are a way of promoting excellence and upgrading the quality of an entire school system;
- Expanding the use of magnet schools increases choice, expands opportunities for children, and ultimately improves the quality of all the schools; and
- Federal funds can help States and school districts design and implement magnet schools more rapidly.

More generally, *proponents* of magnet school or school choice programs have argued that allowing parents and pupils to choose their elementary or secondary school, and a resulting competition among schools for pupil enrollment, generally has a number of beneficial effects. Among these perceived benefits are:

- improved achievement, through greater staff morale and a better match between individual student needs and the instructional techniques used in the school,
- greater parental involvement in, and satisfaction with, schools,
- a wider range of educational opportunities, especially for disadvantaged children whose families are otherwise less able to send

[18] I.e., grants under other education assistance programs may not be reduced to a school or its local educational agency because the school has received a "magnet" school grant.

their children to private schools or move to a different school district or attendance area,[19]

- reduced "loss" of pupils from public to private schools, and
- improved school performance resulting from the pressures of competition on school staff.

In contrast, *opponents* of school choice, or at least of choice programs that are unconstrained by other considerations (such as desegregation requirements), argue that choice:

- leads to unequal human and financial resources in different schools of an LEA,
- tends to segregate pupils according to race, family income, ethnic background, ability, or other characteristics,
- reduces educational opportunities for students left behind in "regular" schools,
- distracts attention from the need to improve the quality and resources of all public schools,
- increases costs substantially, and
- is based on an invalid assumption that parents can make better choices than professional educators regarding the education of their children.

Further analysis of the wide range of "school choice" issues is beyond the scope of this report. For a discussion and analysis of these issues, see *Public School Choice: Recent Developments and Analysis of Issues*, CRS Report for Congress No. 89-219 EPW, by Wayne Riddle and James B. Stedman, April 5, 1989.

Congressional Action

One basic difference in terminology between the Senate bill and the Administration proposal is that S. 695 does not use the magnet term for these schools, referring only to "schools of excellence." As with the Presidential Merit Schools proposal, the Senate bill authorizes grants only for FY 1991 (not 1990)-1993, and requires that certain existing education programs be

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[19]Under a conventional pupil assignment system, a school attendance area is the geographic area from which resident pupils of a specified age/grade level attend a particular public school.

funded at minimum levels before appropriations may be made for the new magnet school program. S. 695 authorizes a maximum of $50 million for FY 1991 while further limiting appropriations in any of FY 1991-1993 to the lesser of:

The Senate bill requires that certain existing education programs be funded at minimum levels before appropriations may be made for the new "magnet" school program.

- appropriations for ESEA title III in excess of $165 million, or
- appropriations for ESEA section 4606 in excess of $35 million.

Since the FY 1989 appropriation for ESEA title III was $113.6 million, and no funds have yet been appropriated for ESEA section 4606, these funding thresholds currently present substantial obstacles to funding for magnet schools of excellence in S. 695.

Similar Federal and State Programs

As noted above, two current Federal elementary and secondary education programs have purposes similar to this proposal. The Magnet Schools Assistance Program is similar, except that aid under this program is limited to LEAs implementing formal desegregation plans, whether voluntary or ordered by a court or a Federal or State education agency. The new proposal is intended to extend Federal aid for magnet schools beyond these LEAs with formal desegregation plans to include, for example, districts where the minority share of enrollments is so high that desegregation may be impracticable, although many such LEAs might be eligible for the "school choice" program authorized under ESEA section 4606 (see below).

A second current, related program is authorized in title IV, part F, section 4606 of the ESEA--Alternative Curriculum Schools. Under the Alternative Curriculum Schools program, which is part of the Secretary's Fund for Innovation in Education, grants may be made to assist certain LEAs, consortia of LEAs, or intermediate educational agencies (IEAs--see footnote 17) in planning, establishing, or operating Alternative Curriculum Schools. Such Alternative Curriculum Schools are similar to magnet schools. As in the Administration proposal, LEAs applying for Alternative Curriculum Schools grants would not have to be implementing a formal desegregation plan, although applicants must demonstrate that their Alternative Curriculum Schools program will contribute to desegregation. Further, this currently authorized program has several grantee eligibility requirements not contained in the proposed program--e.g., the percentage of enrolled students in the LEA

or IEA who are minorities must be at least 65 percent,[20] the percentage of students enrolled specifically in the Alternative Curriculum Schools must be at least 50 percent minority, and grantees must engage in collaborative arrangements with other LEAs, institutions of higher education, community based organizations, or a State education agency.

A substantial number of LEAs and States have adopted policies providing varying degrees of choice among public elementary and secondary schools.

As outlined in a recent CRS Report for Congress (No. 89-219 EPW, see earlier reference), a substantial number of LEAs and states have adopted policies providing varying degrees of choice among public elementary and secondary schools. Among the best known cases are the Statewide school choice plan being implemented in Minnesota, and adopted as policy for future implementation in Arkansas, Iowa, and Nebraska; establishment of a limited number of schools as magnets to encourage voluntary pupil integration in such LEAs as San Diego, California, Buffalo, New York; plus the districtwide controlled choice plans in Cambridge, Massachusetts, New York City's community district number 4, Montclair, New Jersey, and Irvine, California, and adopted for implementation in fall 1989 in Boston, Massachusetts.

[20]If a consortium of LEAs applies for a grant, at least one of the LEAs must have a minority enrollment percentage of at least 65 percent.

ALTERNATIVE CERTIFICATION OF TEACHERS AND PRINCIPALS

The Proposal as Introduced

Title I, part C of the Educational Excellence Act of 1989, as introduced, adds the Alternative Certification of Teachers and Principals Assistance Act of 1989 to title IV, Elementary and Secondary Education Act of 1965, as amended. This new program, authorized at $25 million for FY 1990 only, provides assistance to States for the development and implementation of alternative teacher and principal certification requirements. Existing alternative procedures can be expanded or improved with these funds. The program is intended to facilitate the entrance into teaching and school administration of individuals who have competency in particular subject matter or demonstrated management capabilities, but who do not meet the regular certification requirements for teaching or school administration.

Each participating State provides assurances that Federal funds supplement, not supplant, State and local funds, and that the State consulted with in-State entities that perform certification and with representatives of school teachers, principals, local education agencies, and parents, among others. Specific activities include development and assessment of alternative certification requirements; establishment of structures needed to implement those requirements; provision of staff training to provide support, such as mentoring, to individuals entering teaching or administration through the alternative process; development of recruitment activities; and establishment of reciprocity agreements with other States for teacher and principal certification. The proposal provides for its repeal effective October 1, 1990.

Rationale and Discussion

In proposing Federal assistance for development of alternative certification procedures by States, the President asserts that this helps "States interested in broadening the pool of talent from which to recruit teachers and principals."[21] *Building a Better America* describes this proposal as particularly focused on attracting qualified scientists and engineers to elementary and secondary teaching. Current certification procedures are characterized as barriers to teaching and administrative excellence. It concludes:

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[21]U.S. Congress. House. Committee on Education and Labor. *Proposed Legislation--"Educational Excellence Act of 1989."* U.S. Govt. Print. Off., 1989.

A number of States and school districts are implementing creative and flexible certification systems; many more would do so in response to added incentives.[22]

Recent research suggests that, if alternative routes into teaching are to be successful, they will need careful structuring and assessment.

Alternative certification has sparked some controversy because of its challenge to the role of teacher education programs in preparing new teachers, and concern over the teaching abilities of persons recruited through this process. The advantages and disadvantages of alternative teacher certification are currently being explored. A recent report from the RAND Corporation entitled *Redesigning Teacher Education: Opening the Door for New Recruits to Science and Mathematics Teaching* suggests that, if alternative routes into teaching are to be successful in educational terms, they will need careful structuring and assessment. Early evidence shows that these programs appear to have the promise of increasing the number of math and science teachers in our schools, and minority math and science teachers in particular. Nevertheless, RAND identifies some alternative certification efforts as too severely reducing the amount of educational coursework required for teaching, and introducing teacher candidates to the classroom without sufficient preparation and supervision. Candidates in alternative programs, including those who enter these programs from math or science careers and those who have recently earned undergraduate degrees in these subjects, reported to RAND that they would benefit from additional teacher training as well as additional subject matter coursework.

Congressional Action

S. 695, as reported to the Senate, contains the President's proposal largely unchanged. The primary differences include a reduction in the authorized funding level from $25 million to $15 million, and a delay in the implementation of the program to FY 1991. As a result, the bill authorizes the program for FY 1991 only and provides that the program is repealed October 1, 1992.

[22]*Building a Better America*, Feb. 9, 1989.

The Senate bill also authorizes the National Board for Professional Teaching Standards Act of 1989.[23] (This legislation is similar to that in S. 478 previously introduced in the 101st Congress.) This act authorizes the appropriation of $25 million for the FY 1990-1993 period to meet 50 percent of the cost of eligible research and development related to teacher assessment and certification by the Board. The legislation provides certain priorities for the use of the Federal funds--research and development in math, the sciences, foreign languages, and literacy. Priority is also to be given to research and development activities related to the teachers' ability to teach special populations, including those who are limited English proficient, gifted and talented, handicapped, and educationally and economically disadvantaged.[24]

Similar Federal and State Programs

Potential benefits of alternative certification have already been recognized in Federal programs.

The potential benefits of alternative certification for principals and teachers have already been recognized in Federal education programs. ED intends to use two Federal programs to direct assistance to States and other entities for activities promoting alternative certification of teachers and principals--the Fund for Innovation in Education (FIE), title IV, part F, ESEA; and the Fund for Improvement and Reform of Schools and Teaching (FIRST), title III, part B, Hawkins-Stafford Amendments of 1988.

The FIE authorizes the Secretary of Education to support activities that identify and spread innovative educational approaches. In implementing this program, the Secretary is specifically authorized to develop an optional test for academic excellence, support technology education, increase computer education resources in schools, and enhance comprehensive school health

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[23]In its 1986 report, *A Nation Prepared: Teachers for the 21st Century*, the Carnegie Forum on Education and the Economy recommended establishment of the National Board to establish high standards for teaching competency and to certify teachers who met those standards. These steps, it was argued, would, among other things, help make teaching more of a profession with a career ladder, keep gifted and talented teachers in teaching, create an impetus for reform of teacher education programs, and lead to higher salaries for board certified teachers. The National Board has been established and has begun the process of setting the certification standards for teachers. It is also exploring how to assess teachers for certification.

[24] The proposal to provide Federal assistance to the National Board is not considered further in this memorandum since it was **not** among the programs proposed by the President. Secretary of Education Cavazos has testified in opposition to Federal support for the Board.

education programs. The assistance to alternative curriculum schools, authorized under the FIE, was described earlier. FIE's activities are **not** restricted to those just cited. Of the approximately $15.7 million appropriated for FIE for FY 1989, the ED is proposing to award some $6.8 million for general innovative projects outside of the specified categories. According to the application notice published in the Federal Register (May 30, 1989), the Secretary of Education is giving "*high priority*" in awarding this money to

> projects that further the President's reform goals: educational choice, alternative certification of teachers and principals, merit incentives, and accountability.

The FIRST authorizes two kinds of awards--grants for schools and teachers, and grants for family-school partnerships. Of relevance to this report are the grants for schools and teachers. These are to be provided to State and local educational agencies, higher education institutions, individual schools, among others, to improve the performance of teachers and students. Among the eligible activities are those for "improving the teacher certification process, especially for schools, school districts, or States facing serious shortages." Of the $5.9 million appropriated for FIRST for FY 1989, approximately $3.95 million are for the schools and teachers grants. The application notice published in the *Federal Register* (May 2, 1989) announces that the Secretary of Education has established a number of "invitational priorities" (that is, activities in which the Secretary is "particularly interested"), including

> improv[ing] the teacher training and certification process by enabling outstanding teachers who lack traditional teacher training credentials to teach and by strengthening existing teacher preparation programs,
>
> broaden[ing] the pool of persons eligible to serve as principals and other administrators, and provide entry year assistance to new administrators.

According to the application notice, these "invitational priorities" do **not** accord such applications "competitive or absolute preference over other applications."

Teacher certification has been under scrutiny in the States.[25] Many have taken steps to reform their procedures in order to align certification more fully with various reform objectives. For example, teachers are more likely now to receive initial certification for a short period of time. They face additional requirements, such as completion of teacher education courses and

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[25]U.S. Library of Congress. Congressional Research Service. *Teachers: Issues for the 101st Congress*. Issue Brief No. 89098, by James B. Stedman. Updated regularly.

effective performance during their initial certification period, if they are to secure a longer term certification.

Recent State reform programs have included alternative certification.

Reform programs in recent years have included alternative teacher certification programs. Some have attracted national attention, such as the one being implemented in New Jersey. Nevertheless, it is not always clear how such programs are different from procedures that over three-fourths of all States already have in place to grant certification to teachers not meeting regular certification requirements. Often labeled "emergency" certificates, most of these cannot be renewed without recipients taking prescribed teacher education courses.

Most States' principal certification procedures require a prospective principal to have a teaching certificate, teaching experience, and college credit in administrative subjects.[26] States have undertaken comparatively little action on alternative certification for principals--although some efforts have been made to attract a wider range of individuals to educational administration and to develop alternative routes into principalships.[27]

[26]U.S. Department of Education. *Principal Selection Guide*. Office of Education Research and Improvement. June 1987.

[27]National Governors' Association. *Results in Education: 1988*.

PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION

The Proposal as Introduced

The legislation proposed by the President adds a new part to title II of the ESEA, authorizing Presidential Awards for Excellence in Education. The program provides financial awards to teachers in every State who demonstrate excellence in teaching. Each is worth $5,000 and available for **any** purpose chosen by recipients. Public and private school teachers at the elementary and secondary levels are eligible.

Each State establishes the criteria to be used to select recipients and notify public and private organizations of the procedure for nominating teachers. The proposal provides that the selection criteria may be sensitive to teaching success with: at risk students or the gifted and talented; potential and actual dropouts; advanced classes in mathematics, science and foreign languages; the introduction of a new or strengthened curriculum; and activity as a master teacher.[28] Panels, appointed by each State Governor and composed of representatives of parents, administrators, teachers, school boards, and business, make the selection of recipients from the nominations received.

The legislation authorizes $7.6 million annually for FY 1990 through FY 1993. From appropriated funds, the Secretary reserves not more than $200,000 for an annual award ceremony; the remainder is to be distributed among the States on the basis of the number of full-time equivalent public elementary and secondary school teachers. Each State is to receive at least enough to support one Presidential Award and approved State administrative expenses.

Rationale and Discussion

Building a Better America provides the general rationale for a program of financial awards to outstanding teachers:

> School systems should develop standards of excellence for teachers, and effective and fair procedures for measuring success; and
>
> In return for their efforts and their willingness to be held to high standards of excellence, teachers deserve public recognition, respect, and appropriate financial rewards.

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[28]Master teachers often assume responsibility for acting as mentors to other teachers, developing new curricula, helping to evaluate other teachers, etc.

State teacher reform efforts suggest that, under some conditions, financial awards for meritorious teachers frequently generate controversy.

The experience with State teacher reform programs that include financial award programs for meritorious teachers, particularly when those awards are a mechanism for increasing teachers' salaries, shows that they frequently generate controversy. Difficulties can arise when the criteria for selecting teachers are not accepted by the majority of teachers, and when the application of those criteria is viewed by many as biased. In a few States, teacher reform efforts that involved merit pay have foundered on such issues.[29] It appears that the more extensive the teacher award program and the more closely identified it is with teacher compensation, the greater the prospects of debate over the proposal.

Congressional Action

There has been no congressional action on this legislation to date with the exception of general hearings on the Bush education package held by the House Education and Labor Committee and the Senate Labor and Human Resources Committee. S. 695, as approved by the Senate Labor and Human Resources Committee, does not contain this proposal reportedly because the Committee is planning to consider a broader array of teacher programs later.

Similar Federal and State Programs

Two Federal programs overlap the President's proposal.

The potential benefits of providing awards to highly performing teachers have been recognized at the Federal level. At least two existing Federal programs overlap with the President's proposed program--the Christa McAuliffe Fellowships and the Presidential Awards for Excellence in Science and Mathematics Teaching.

The Christa McAuliffe Fellowship program, administered by the ED, was first authorized by the Human Services Reauthorization Act (P.L. 99-558), which added it to the Higher Education Act (P.L. 89-329). This program provides fellowships to outstanding public or private school teachers. Unlike the proposed awards which have no requirements as to their use, the McAuliffe Fellowships **must** be used for special projects to improve elementary

[29]Discussed briefly in *Teachers: Issues for the 101st Congress* and more extensively in *The Evolution of Teacher Policy* by Linda Darling-Hammond and Barnett Berry, RAND Corporation, Mar. 1988.

and secondary education. These projects can include sabbaticals for study and research; consultation with school systems; and formation of innovative programs, model teacher programs or staff development initiatives. Recipients are chosen by statewide panels and can receive up to the average national salary of public school teachers. Fellowship winners must return to their school system for 2 years following receipt of a fellowship. Individual teachers cannot be awarded fellowships for 2 consecutive years.

Of relevance to congressional consideration of the proposed program, which authorizes $7.6 million in new education funding for FY 1990, is the fact that the McAuliffe program has fallen well short of its authorized funding level since its initial appropriation in FY 1987. The annual appropriation for the McAuliffe Fellowships has been insufficient to support one fellowship per congressional district as specified under the authorizing statute. As a result, the ED distributes an amount equal to the annual average teacher salary to each State and then distributes the remaining funds based on each State's share of the total number of public school teachers. The FY 1989 appropriation of $1,892,000 is estimated to support 100 fellowships. The average fellowship for FY 1989 is estimated to be $18,920. The Reagan Administration requested FY 1990 funding of $1,956,000.

The second program is administered by the National Science Foundation (NSF) as part of its Teacher Preparation and Enhancement activities. This program includes the Presidential Awards for Excellence in Science and Mathematics Teaching, used to recognize outstanding teachers. The individual award size for FY 1989 is $5,000 with an FY 1989 appropriation of $1.83 million. The FY 1990 Administration budget request is for $2.5 million to allow the award size to increase to $7,500.

Nearly every State has considered or implemented merit pay, career ladder, or master teacher programs to provide financial and other incentives to highly performing teachers. Nevertheless, States, in general, have **not** adopted award programs that mirror the President's proposal (i.e., financial awards separate from regular compensation, with no additional responsibilities imposed).[30]

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[30]A few programs which may be related are described in testimony delivered by Secretary of Education Lauro F. Cavazos before the House Subcommittee on Elementary, Secondary and Vocational Education, Aug. 2, 1989, and in *Results in Education: 1988*.

NATIONAL SCIENCE SCHOLARS

The Proposal as Introduced

Title II of the President's proposed legislation amends title IV of the Higher Education Act to establish the National Science Scholars Program. Under this program, the Secretary of Education awards scholarships for undergraduate education to students who have demonstrated excellence in one of the sciences, mathematics, or engineering. These scholarship are **not** awarded on the basis of financial need. An eligible student must be scheduled to graduate from high school or obtain an equivalency certificate, be accepted for admission to an institution of higher education, and have declared a major in one of the specified fields or have provided a written statement describing such an intention.

With the recommendation of a panel of experts, the Secretary establishes achievement criteria to be used in nominating potential scholars. Based on these criteria, each State nominates between 4 and 10 students from each congressional district within the State. The President selects at least 30 of the nominated students to receive scholarships. An additional 540 nominees are selected by the President after recommendations have been made by each U.S. Senator and Representative. Thus, 570 students a year will receive these scholarships for the first time. Continuation awards would be dependent upon maintaining a "superior level" of achievement, majoring in the specified fields, and continuing to enroll as a full-time undergraduate.

The annual scholarship is worth $10,000, but could not exceed the cost of attendance in combination with other assistance, if any. Federally supported research and development centers will give priority to employing scholarship winners during the summer. The annual authorization is $5 million for FY 1990, rising in increments of $5 million annually, until it reaches $20 million for FY 1993.

Rationale and Discussion

The justification provided in *Building a Better America* for the National Science Scholars program is three-fold:

> The national interest requires a greater commitment to science and mathematics;
>
> Schools should challenge all students to take more science and mathematics courses; and
>
> The best students in every part of the country should know that in addition to the personal satisfaction they will gain from excellent performance in these fields, and the career options that will open to

them, there are tangible rewards for excellence if they pursue the study of mathematics or the sciences at a college or university.

This proposal and the other similar ones before the Congress have raised a number of issues. Given the national needs for improvement in mathematics and science identified by the President, it might be asked whether the number of scholarships that would be supported is enough to meet the needs.

The Office of Technology Assessment in its recent report *Educating Scientists and Engineers: Grade School to Grad School* (1988) suggests that such assistance might be appropriate:

> Federal financial aid is a powerful lever on students aspiring to college educations. This lever could be used to influence the field distribution of undergraduates. The tradition of egalitarian aid based on need and respect for individual choice, regardless of institution and field of study, must be weighed against the possible national benefits of directing more or selected students into certain institutions or fields . . . . (p. 96)

With regard to the number of scholarships contemplated under any of these programs (570 under the President's proposal; 888 under S. 695, as reported), one might argue that the "symbolic" nature of these scholarships could have important, positive results in encouraging further study of math and science at the secondary level.[31]

Determining which Federal agency should administer the new program has been an issue.

Of importance is the question of which agency will administer the program. The President's proposal places the program fully within the jurisdiction of the ED. S. 695, as reported, envisions a form of joint administration in which the NSF Director takes the lead in the selection process and the Secretary of Education handles the financial aspects of the program. The debate on this issue has centered on which of these two agencies has the more appropriate experience in administering similar programs and which agency has the more active and distinguished presence in math and science. The latter aspect is important as one considers the prestige that presumably should accrue to the scholarships.

The provision of Federal financial aid to undergraduate students without initial consideration of students' financial need, as is proposed by the President and S. 695, may raise some concern. Most Federal student aid programs for undergraduates require potential recipients to demonstrate

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[31]Philip H. Abelson. *Congressional Fellowships for Science. Science.* Mar. 31, 1989, p. 1649.

financial need. This is justified, in part, by the assertion that available Federal funds for higher education are limited and, therefore, should be focused on the most needy. How that need is defined often has been a matter of controversy.[32] Nevertheless, a number of recently enacted Federal student aid programs explicitly serve graduating high school seniors who demonstrate academic excellence **without** requiring that they demonstrate financial need. These include the Paul Douglas Teacher Scholarships (title V, part D, subpart 1, HEA) and the Robert C. Byrd Honors Scholarships (title IV, part A, subpart 6, HEA).

Congressional Action

S. 695, as reported, includes a substantially amended version of the President's proposal. It differs with regard to the roles of the Secretary of Education and the Director of the NSF; the selection process; the size of the annual scholarship; and the level of annual authorization.

S. 695 contains a substantially amended version of the President's proposal.

Under S. 695, the NSF Director, in consultation with the Secretary of Education, basically administers the process of selecting students to receive assistance; while the Secretary of Education administers the actual distribution of funds to scholarship winners. In the President's original proposal, the Federal administration of the program is lodged entirely within the ED.

As reported, S. 695 provides that scholarships are awarded to one male and one female from each congressional district with special consideration given to individuals from economically disadvantaged backgrounds or from groups underrepresented in the science and engineering professions. The total number of scholarships awarded annually is 888 (includes scholarships for the District of Columbia, Puerto Rico, and the outlying areas). Selection criteria are determined by the NSF Director upon the recommendations of a National Science Scholars Program Board. The Director, in consultation with the Secretary of Education, establishes a procedure (not defined in the legislation) for nominating 4 to 10 students from each congressional district. The Director then nominates one male and one female from each district to the President for his selection. In contrast, the President's original proposal provides that the Secretary of Education, upon advice of a panel of experts, determines selection criteria to be followed by the States. The President then

[32]U.S. Library of Congress. Congressional Research Service. *Financing Postsecondary Education Attendance: Current Issues Involving Access and Choice*. CRS Report for Congress No. 88-315 EPW, by James B. Stedman. Washington. Apr. 22, 1988.

selects a total of 570 scholars. The distribution of male and female scholars is not addressed in the President's proposal.

The size of the annual scholarship under S. 695 is $5,000. The President's proposal sets the level at $10,000 a year. S. 695 authorizes $6 million for FY 1991 and "such sums as may be necessary" for the succeeding 2 years.[33] The President's program authorizes $5 million for FY 1990 and increases the authorization by $5 million a year through FY 1993.

It should be noted that math and science scholarships for undergraduate study are also proposed in S. 134 (introduced by Senator Glenn) and in H.R. 996, as ordered reported on July 27, 1989 by the House Science, Space, and Technology Committee.

Similar Federal and State Programs

There does not appear to be a comparable Federal program that provides scholarship assistance for **undergraduate** study in these specific fields. A review of State-sponsored student scholarship programs identified no analogous programs at that level, either.

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[33]S. 695 provides a 33-year period of authorization which is less than the 4-years of higher education that the scholarships are intended to cover.

DRUG FREE SCHOOLS EMERGENCY GRANTS

The Proposal as Introduced

This proposal amends the Drug-Free Schools and Communities Act of 1986, as amended (ESEA title V), to authorize one time, supplementary grants to LEAs with severe drug abuse problems among their pupils. These grants are to be made by the U.S. Secretary of Education and only to urban areas. These one-time awards can be used to provide a wide variety of services intended to reduce and prevent student drug abuse, such as counselling, security, alternative education programs, etc. The proposed appropriation authorization level is $25 million for each of FY 1990-1993.

Rationale and Discussion

The intention is to provide concentrated, comprehensive, educational and related services to alleviate drug abuse problems in the school districts where drug abuse is most prevalent. These programs might test the effectiveness of such focused attention in reducing drug abuse problems, and serve as models for adoption by other areas, if sufficient resources become available to them.

The intention is to provide concentrated services to school districts where drug abuse is most prevalent.

Congressional Action

Instead of authorizing this as a separate program, S. 695 increases the overall FY 1989 authorization for the Drug-Free Schools and Communities Act[34] by $25 million to accommodate this new activity.[35] Another major revision to the Administration's proposal in S. 695 is to authorize such grants to be made by the States, rather than directly by the U.S. Secretary of Education. Finally, S. 695 provides that both urban and rural areas are eligible to receive these grants, although the largest city in each State is to be given first priority in the selection of grant recipients.

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[34]The Drug-Free Schools and Communities Act already authorizes the appropriation of "such sums as may be necessary" for each of FY 1990-1993.

[35]The authorization for FY 1990-93 is already "such sums as may be necessary."

Similar Federal and State Programs

Under current law, at least one-half of the State share of Drug-Free Schools and Communities Act (DFSCA) part B funds[36] is to be used for "innovative community-based programs of coordinated services for high-risk youth," such as school dropouts or drug abusers. S. 695 amends these provisions by requiring that one-third of the State share of funds be used for urban and rural emergency grants.[37] The current Act also requires applicants for local part B grants to assure that their drug abuse prevention efforts will be coordinated with a wide range of government agencies and community programs concerned with drug abuse education, intervention, prevention, treatment, and rehabilitation. Thus, DFSCA grants may now be used for *comprehensive* services, or at least grantees must assure that DFSCA services are coordinated with related services offered by other agencies and organizations. However, there is currently no explicit provision for concentration of DFSCA aid on a *limited number of urban or rural areas*, except to the extent that States might choose to use their "high-risk youth" discretionary funds in this manner. Further, the Administration version of this proposal differs from current authority in limiting grants to a "small" number of awards made on a national basis by the U.S. Secretary of Education.

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[36]Hence, at least 50 percent of the 30 percent of part B funds that is to be used at State discretion.

[37]S. 695 provides that this provision may be waived for States with no concentrations of drug abuse problems.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The Proposal as Introduced

The President proposes amending title III of the Higher Education Act to authorize separate endowment-building grants exclusively to the historically black colleges and universities eligible for title III assistance. Title III is the ED's major college-level institutional aid program, awarding $174.6 million in FY 1989 funds directly to higher education institutions for institutional development and improvement.

Title III, part A authorizes the Strengthening Institutions program to enhance institutions' academic quality, institutional management capabilities, and fiscal stability. The program serves colleges enrolling a high percentage of students receiving Federal need-based student assistance and having relatively low current expenditures per student. This program is not open to historically black colleges if they are participating in the separate part B program--Strengthening Historically Black Colleges and Universities. This program, available only to historically black colleges, provides assistance for acquisition of equipment, improvement of instructional facilities, and student services, among other activities. Finally, title III, part C authorizes the Endowment Challenge Grant program which awards matching grants to institutions of higher education (those eligible for other title III programs) for the development of their endowments.

It is this last program that the President proposes to amend by adding a new funding authority for $10 million for FY 1990, $20 million for FY 1991, $20 million for FY 1992, and $10 million for FY 1993 exclusively for historically black colleges and universities (i.e., schools eligible for part B of title III). Participating institutions will have to match their awards.

Rationale and Discussion

Building a Better America provides the rationale for creating a separate funding authority for helping historically black colleges build their endowments. It states that these colleges played an essential role in providing black Americans with higher education opportunities during legal segregation.

> Today, racial discrimination is not tolerated; yet, the Historically Black Colleges and Universities still represent a vital component of American higher education, enriching educational choice.

Further, it is posited that "[e]ndowment building is the Government's most effective contribution to the future financial strength of these institutions."

Historically black colleges have a special relationship to the Federal Government.

Reserving endowment funding for historically black colleges appears in keeping with the Federal Government's special relationship to these institutions as reflected elsewhere in the title III legislation, and in Executive Orders issued by Presidents Carter, Reagan, and Bush to improve the opportunities of these institutions to participate in Federal programs across all executive agencies.[38] It should be noted that endowment-building has been a focus of title III funds since it was added by the Congress in 1983.

Potential issues for this proposal may include the capacity of the historically black colleges to take full and immediate advantage of a substantial increase in Endowment Challenge Grant funds because of the matching amounts required of participating institutions. In recognition of difficulties, Endowment Challenge Grant funds are currently available until expended, providing institutions with extended periods of time for raising the necessary capital. This provision applies to the proposed funding reservation for black colleges, as well.

Congressional Action

S. 695, as reported, also amends title III to establish a funding reservation for endowment building by historically black colleges, but raises the authorization level to $20 million (from $10 million) for FY 1990. Unlike the President's proposal, which sets specific authorization levels for FY 1991 through FY 1993, S. 695 authorizes "such sums as may be necessary" for the succeeding three fiscal years.

Similar Federal and State Programs

There do not appear to be other, similar Federal or State programs that provide assistance to historically black colleges for building up their endowments.

[38]Executive Orders 12232, 12320, and 12677.

CONCLUSION

The "Educational Excellence Act of 1989," as introduced, contains an array of proposals from the Bush Administration that, among other objectives, seeks to provide financial incentives for improved performance by schools, teachers, and students; expand parental choice among schools; and establish alternatives to current teacher and principal certification. Ironically, while many of the President's objectives are controversial (e.g., alternative certification of teachers and principals, extension of school choice) or untested (e.g., financial incentives), some of the proposed programs are similar to currently authorized programs.

Debate continues at the Federal and State levels about the appropriateness and consequences of such initiatives as choice programs, merit-based awards, and alternative certification. There appears to be no consensus politically or in the research on these kinds of reform efforts. At the same time, the President's proposals may **duplicate** or **overlap** programs already being administered by the Federal Government and by State governments. Some may question whether new Federal programs should be authorized when similar current programs are funded well below their authorized level. Alternatively, proponents of these concepts may argue that they are distinctive complements to current programs, not simply duplications of them; and that the proposals are consistent with a traditional Federal role of identifying exemplary practices in selected States or localities, and subsidizing wider adoption of them.

Congressional action, primarily represented by S. 695 as reported by the Senate Labor and Human Resources Committee, has worked to modify many of the President's proposals. For example, the Senate Committee conditions the funding of some of the proposed programs, such as those for merit and magnet schools, on higher levels of funding for certain existing programs. These funding thresholds, if enacted, are sufficiently high that the actual expenditure of substantial Federal funds for the new programs would appear unlikely for the near term. In general, the Senate Committee pushes back the initial year of authorization for these programs from FY 1990 to FY 1991, consistent with the likelihood that this legislation will not be enacted before October 1, 1989, if at all. In addition, amendments to some of the programs increase their focus on disadvantaged student populations.